



Monthly Newsletter

May 2017

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California West's transition to new accounting software means earlier statements and owner disbursements in May.

Over the past couple of months, California West's staff has been getting accustomed to using our new accounting software that goes live on June 1. As part of this process, our accounting team has been double entering significant amounts of data into our legacy software (Yardi) and into our new software (Appfolio) just to keep everything up-to-date as part of the conversion process.

Now, as we approach the month of June, the full benefits and burdens of switching to Appfolio are almost upon us. Our goal all along has been to migrate to Appfolio with as little change to existing procedures as possible and to focus on rolling out the "bells and whistles" only after the initial conversion is complete. There are certainly some exciting new features in Appfolio that we will be rolling out in coming months, however, the most pressing goal remains the same: as we transition to this new system, we want to minimize the disruption to our procedures and to our clients.

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For the most part, this means that our clients will be receiving their money earlier in the month than usual. However, this also means that there will likely be some instances where if we have tenants who pay slow then our clients will have to wait until next month to get a double owner disbursement.

We request that all our clients bear with us while we finalize this conversion process and we apologize in advance if there is any inconvenience. We are doing our best to minimize disruption. In the long run, we are certain that switching to Appfolio will let us serve our clients better and more efficiently.

As always, we are available to discuss any issues that may arise and we will try to come up with good solutions if at all possible. Therefore, please let us know if there is anything we can do for you as we finalize this conversion process.

Renovations can make a difference to rental value.

For obvious reasons, a well maintained rental property demands more rent than a poorly maintained property. However, some improvements offer a better return than others. As almost all homeowners know, renovations can quickly spiral out of control in terms of cost. The tough decisions lie in which improvements add value and which look nice but are not economically smart.

For all rental units, a fresh coat of paint and new flooring is a good investment when needed. New floors and new paint are relatively inexpensive and will completely transform the look of a rental property.

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When it comes to floors, though, you face some decisions. Installing fresh carpet is inexpensive and will offer an immediate return on investment. For a higher end look, you may consider a hard surface floor. Lately, we have been installing luxury vinyl planks in many of the properties that we manage to offer a higher end appearance.

This is certainly a more costly approach than simply installing carpet. However, it looks better and in the long run can actually be more cost effective because vinyl planks will wear far better than carpet and therefore will require replacement far less often.

Another improvement to consider, but one that very much depends on the type of unit, is hard surface counters. A granite counter is more expensive than formica but it will attract more tenants. This is an improvement that should be done only if the rental itself is likely to command higher than average rent. For less expensive rentals, it is hard to justify the added expense of granite counters. However, granite counters are definitely worth considering if the goal is to appeal to higher income renters.

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Low maintenance exterior landscaping is another improvement that may be worth considering. For a rental property, any landscaping that requires substantial maintenance is a poor choice. Renters simply will not maintain it to your satisfaction and hiring a landscaper to maintain a property with substantial landscaping is generally not a good investment. However, neat and clean landscaping that is low maintenance can really enhance the curb appeal of a property and make it easier to market to new tenants while still being affordable in the long run. Therefore, landscaping is certainly an improvement that should be given some consideration.

Finally, new vinyl windows often make sense if old windows are failing or in disrepair. Of course, the value depends on the number and size of the windows that need replacing but, in general, new windows can really improve a property.